

Memorandum

Date : September 13, 2001

Telephone:

ATSS (916) 657-4394

To : William J. Keese, Chairman and Presiding Member
Robert Pernell, Commissioner and Associate Member

From : California Energy Commission - Cheri Davis
1516 Ninth Street Energy Commission Project Manager
Sacramento, CA 95814-5512

Subject : EAST ALTAMONT ENERGY CENTER STATUS REPORT #1 – September, 2001

The East Altamont Energy Center AFC Committee's August 24, 2001 scheduling order directed parties to file status reports concerning matters relevant to the schedule. This status report for September, 2001, is being filed pursuant to the Committee's order.

KEY EVENTS

The following are key events from the months of July and August pertaining to the East Altamont Energy Center AFC review process.

- 1) On July 19, staff filed its second set of data requests.
- 2) On August 9, staff participated in the Committee's Informational Hearing and Site Visit.
- 3) On August 17, 2001, the applicant filed its responses to Data Requests Set #2.
- 4) Staff held an issues resolution and data response workshop in Livermore on September 6, 2001.
- 5) Staff held a visual and biological issues meeting in Sacramento on September 12, 2001.

UPDATE ON SIGNIFICANT ISSUES

The following constitutes an update of significant issues identified by staff in its Issues Identification Report (IIR).

Air Quality

Staff submitted numerous data requests relating to air quality issues (data requests #13-45), but the applicant's responses are insufficient to provide resolution. The applicant disagrees with staff's assertions relating to Best Available Control Technology (BACT), PM10 mitigation, and emissions of NO₂ and SO₂, and for that reason did not perform the additional analyses requested by staff. These disagreements will need to be resolved before staff can complete their analysis. Additionally, the applicant was unable to respond to staff's requests for vendor data on the gas turbines, auxiliary boiler, emissions control systems, duct burner, and cooling tower because the vendors have not been selected.

At the September 6 workshop, the applicant agreed to provide some preliminary data for the turbines, which staff would use to determine whether the control systems and auxiliary equipment could be expected to perform as proposed. The applicant also

indicated that they will provide additional analyses of PM₁₀ and SO₂ emissions impacts and mitigation, which *may* satisfy staff's data requests. To resolve the question about BACT, staff will be contacting the federal EPA to inquire about the BACT requirements for this project. Staff will continue to work with the applicant to resolve these issues. Staff will be unable to determine whether the project as proposed will be adequately mitigated until the applicant provides answers to these questions.

Land Use

Staff has concerns regarding the project's consistency with Alameda County General Plan, specifically Policies No. 75 and 76, and compliance with the County's land division and zoning regulations. The Alameda County Community Development Agency has since filed a letter dated August 15, 2001 stating that the project would comply with the noted General Plan policies if mitigation involving the preservation and enhancement of farmland were to occur. The applicant and the County are currently involved in negotiations on this matter.

Noise

The project is anticipated to raise noise levels by 14 decibels (dB) at one of the measurement sites near a residence, which is 9 dB higher than the typical significance threshold of 5 dB over ambient noise levels. The applicant contends, in response to Data Request #78, that the projected noise levels will not violate any laws, ordinances, regulations, or standards. Nevertheless, staff's analysis will evaluate the potential for a significant impact.

Visual Resources

Staff has identified the potential for significant visual impacts from the project, as proposed, related to both the project's structures and plumes. The potential for significant visual impacts is complicated by the fact that the California Department of Fish and Game (CDFG) and the U.S. Fish and Wildlife Service oppose the use of vegetation around the plant that would provide habitat for predators (e.g., coyotes or raptors) of the area's sensitive species. Alameda County, on the other hand, specifically commented in their August 15 letter that they would prefer trees over berms, as were initially suggested by CDFG as a means of achieving visual impact mitigation without compromising biological resources. These complex issues were the subject of staff's public meeting on September 12, which ended without any consensus on how the applicant can achieve both visual screening and protection of threatened and endangered species. The applicant will continue to look for a solution to these competing interests and will alert staff to any project changes that may result.

Water & Soils

Staff has identified concerns about the amount of prime agricultural land that was to be taken up by the evaporation ponds and wastewater recycling pond, and suggested that a brine crystallizer would be one method of eliminating this excessive impact. In an effort to address this issue, the applicant re-evaluated their proposal based on staff's Data Request 95 and is now proposing to eliminate the evaporation ponds and use a brine crystallizer/dryer. Staff is awaiting a supplemental filing from the applicant that

would provide sufficient details of this project change to enable staff to begin their analysis.

Staff remains concerned about the project's proposed use of fresh inland water for industrial purposes with respect to compliance with applicable LORS. Staff awaits the applicant's response to Data Request #84, which asks for an evaluation of dry and wet/dry cooling technologies. Furthermore, staff is not satisfied with the applicant's response to Data Request #86, and intends to continue pursuing an analysis of the feasibility of using recycled water from the City of Tracy or Discovery Bay.

SCHEDULE

The project's proposed interconnection with the Tracy substation, owned by the Western Area Power Administration (Western), triggers the need for compliance with the National Environmental Policy Act (NEPA). Western will be the lead agency under NEPA and will be working jointly with the Energy Commission in the evaluation of this project. This project therefore will require extensive coordination with Western because of the need to develop a joint environmental document.

The committee's scheduling order provides a due date of November 30 for the Preliminary Staff Assessment (PSA). Because of the need to coordinate with Western, staff will need to allow additional time for review and approval of technical sections. As noted above, some staff still need information from the applicant in order to complete their analyses. Information not obtained from the applicant by early October may not be reflected in the PSA, which may lead to delays in the FSA.

cc: East Altamont Proof of Service
William deBoisblanc, Bay Area AQMD
Jeff Miller, CAL-ISO
Victor Izzo, Central Valley RWQCB
Sheila Larson, US Fish and Wildlife Service
Janice Gan, California Department of Fish and Game
Michael E. Aceituno, US National Marine Fisheries Service